



County of Los Angeles  
**CHIEF ADMINISTRATIVE OFFICE**

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DAVID E. JANSSEN  
Chief Administrative Officer

Board of Supervisors  
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First District

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Second District

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Third District

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MICHAEL D. ANTONOVICH  
Fifth District

March 26, 2004

To: Supervisor Don Knabe, Chairman  
Supervisor Gloria Molina  
Supervisor Zev Yaroslavsky  
Supervisor Yvonne Brathwaite Burke  
Supervisor Michael D. Antonovich  
From:   
David E. Janssen  
Chief Administrative Officer

**AUDITOR-CONTROLLER'S FRAUD HOTLINE STATUS REPORT**

During the March 9, 2004 Board of Supervisor's (Board) hearing, Supervisor Antonovich referenced the Auditor-Controller's (A-C) report regarding the County's losses due to waste, fraud and abuse, and requested my office to provide a recommendation on how the A-C can be assisted in the fraud investigations.

The A-C indicated during the Board hearing that additional staff is needed to address an increase in the number of calls and the size of the fraud. The A-C reviews referrals or calls on the fraud hotline and when it is determined a case has sufficient merit, they deem the case "open" for investigation. The A-C is projecting 700 open cases for calendar year (CY) 2004 in anticipation of the countywide policy on referrals related to computer and internet abuse. During CY 2003, the Special Investigations Unit (SIU) had 512 open cases while in CY 2002 they had 355 open cases. The A-C staff has indicated that there is a current backlog of 60 cases, some of which are referrals made in April 2003.

The SIU, within the A-C's Audit Division, has 11 budgeted and filled positions dedicated to handling fraud investigations. The A-C indicated that three additional positions would assist in their efforts to adequately address their workload. They identified three vacancies from other areas in the Department that can be transferred to the SIU to alleviate the current workload.

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My office concurs in the transfer of the three positions and approves the hiring on these vacancies. My staff will continue working with the A-C and consider the need to restore the items transferred from the other areas during Final Changes or when we return to the Board with the impact of the State's Budget.

DEJ:DIL  
AC:ES:lbm

c: Executive Officer, Board of Supervisors  
Auditor-Controller